

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In Re: W.R. GRACE & CO., et al., Debtors.	§ § § § § §	Chapter 11 Jointly Administered Case No. 01-01139 (JKF)
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**FEE AUDITOR'S FINAL REPORT REGARDING
FOURTH INTERIM QUARTERLY FEE APPLICATION OF
HAMILTON, RABINOVITZ AND ALSCHULER, INC.**

This is the final report of Warren H. Smith & Associates, P.C. ("Smith"), acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the First Interim Application of Hamilton, Rabinovitz and Alschuler, Inc., (the "Application") which covers the period March 1, 2002 through March 31, 2002, which is in the fourth interim period.

BACKGROUND

1. Hamilton, Rabinovitz and Alschuler, Inc. ("Hamilton"), was retained as consultant to the official committee of asbestos property damage claimants. In the Application, Hamilton seeks approval of fees totaling \$27,945.00 and costs totaling \$309.81 for its services from March 1, 2002, through March 31, 2002.

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time entries included in the exhibits to the Application. We reviewed the Application for compliance with 11 U.S.C. § 330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2001, and the United States Trustee Guidelines

for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. 330, Issued January 30, 1996, (the "Guidelines"), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals. We served an initial report on Hamilton, and discussed the Application and the initial report with Paul Silvern, a member of Hamilton.

DISCUSSION

General Issues

3. In the initial report we noted that Application did not comply with many of the formal requirements of a fee application. We noted within the fee detail of the Application, the individual time entries are not divided by category but chronologically by timekeeper. Paragraph II.D.1. of the Guidelines states that "[t]o facilitate effective review of the application, all time and service entries should be arranged by project categories.. . .[a] separate project category should be used for administrative matters and, if payment is requested, for fee application preparation." We also noted that the Application does not contain a summary by project category. Thus in the initial report we asked Hamilton to comply with these requirements when preparing subsequent fee applications, and Hamilton advised us that it would do so.

4. In our initial report we noted that FFR and PJS tend to lump their time entries. Paragraph II.D.5. of the Guidelines states that "[s]ervices should be noted in detail and not combined or 'lumped' together, with each service showing a separate time entry". Thus in our initial report we asked Hamilton to please advise these professionals to avoid such lumped entries in the future, and Hamilton advised us that it would do so.

5. We note that Hamilton billed .2 hours, for \$75.00 in fees, for matters relating to its own fee application, and we have no objection to these charges.

6. We have no issues regarding any of the fees in the Application.

Expenses


7. We note that the only expenses in the Application is a charge of \$309.81 for "Courier Expenses". We reviewed the backup for these charges, and note that they were all for Federal Express packages sent during the month of March, and have no objection to these charges.

CONCLUSION

8. Thus, we recommend approval of fees totaling \$27,945.00 and costs totaling \$309.81 for Hamilton's services from March 1, 2002, through March 31, 2002.

Respectfully submitted,

WARREN H. SMITH & ASSOCIATES, P.C.

By: 

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FEE AUDITOR

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served First Class United States mail to the attached service list on this 29th day of July, 2002.



Warren H. Smith

SERVICE LIST

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